

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-81**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

NEWPORT SHORES MORTGAGE, INC.

RESPONDENT

AGREED ORDER

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing mortgage loan brokers, mortgage loan companies, mortgage loan originators, and mortgage loan processors in accordance with the provisions set forth in KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act (the “Act”).

2. Newport Shores Mortgage, Inc. (“Newport”) is registered to do business in Kentucky as a HUD exempt mortgage loan broker pursuant to the Act, with its principal office located at 1526 York Road, Lutherville, MD 21093.

3. During an examination, DFI discovered that Newport had utilized three unregistered loan officers to originate mortgage loans during the 2008 calendar year in violation of KRS 286.8-030, which prohibits a mortgage loan broker from employing or using a loan officer who is not registered in accordance with KRS 286.8-255.

4. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, and/or the imposition of fines in an amount up to \$25,000 per violation. *See* KRS 286.8-046; 286.8-090.

5. In this case, DFI has assessed a fine against Newport in the amount of one thousand five hundred dollars (\$1,500.00) for utilizing three unregistered loan officers to originate Kentucky loans, in violation of KRS 286.8-030.

6. In addition to the assessed fine, Newport has agreed to relinquish its HUD exempt status for Kentucky.

7. In the interest of economically and efficiently resolving the violation(s) described herein, DFI and Newport agree as follows:

a. Newport agrees to a fine assessment in the amount of one thousand five hundred dollars (\$1,500.00) for the violation(s) described herein;

b. Newport agrees to and shall pay the total fine assessed herein of one thousand five hundred dollars (\$1,500) prior to the entry of this Order, which shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Shaun T. Orme, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. Newport agrees to relinquish its HUD exempt status in Kentucky and to cease doing business in Kentucky.

d. Newport shall not apply to DFI for any license or exemption required under KRS Chapter 286.8 to practice in the mortgage lending process in Kentucky for a period of not less than one (1) year from the date of entry of this Agreed Order. Newport may apply for licensure or exempt status after such time, however, Newport understands that DFI is under no obligation to grant such a license or exemption, either conditionally or not.

7. Newport waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order.

8. Newport consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

9. In consideration of execution of this Agreed Order, Newport for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Newport ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

10. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

11. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 16th day of December, 2008.



CHARLES A. VICE
COMMISSIONER

Consented to:

This 9th day of November, 2009.

This 16th day of November, 2009.

Kathy Stewart
Kathy Stewart, Director
Division of Financial Institutions
Department of Financial Institutions

Edward E. Turner
Edward E. Turner
President
Newport Shores Mortgage, Inc.

ACKNOWLEDGEMENT

STATE OF Maryland)
COUNTY OF Baltimore)

On this the 16th day of November, 2009, before me R. Glenn Gutridge the undersigned, **Edward E. Turner**, did personally appear and acknowledge himself to be the President of Newport Shores Mortgage, Inc., and that he, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 7/10/2010

R. Glenn Gutridge
Notary Public



Certificate of Service

I, Shaun T. Orme, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 16th day of December, 2009, by first class mail, to the following:

Edward E. Turner
President
Newport Shores Mortgage, Inc.
1526 York Road
Lutherville, MD 21093



Shaun T. Orme
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 282 (phone)
502-573-2183 (facsimile)

Counsel for Complainant